



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

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MICHAEL D. ANTONOVICH  
Fifth District

March 29, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

15 March 29, 2016

LORI GLASGOW  
EXECUTIVE OFFICER

**LEASE AMENDMENT  
DEPARTMENT OF MENTAL HEALTH  
17707 STUDEBAKER ROAD, CERRITOS  
(FOURTH DISTRICT)  
(3 VOTES)**

### SUBJECT

A seven-year amendment to renew the lease for approximately 27,924 square feet of office space, and 117 parking spaces for the Department of Mental Health.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the seven-year amendment to renew the lease with Studebaker-Cerritos Project, Ltd. The lease will provide the Department of Mental Health uninterrupted use of approximately 27,924 square feet of office space, and 117 parking spaces. The maximum annual total lease cost is \$712,900, \$582,115 base rent, plus the estimated cost of utilities, janitorial, and interior maintenance of \$130,785. The lease costs are funded 100 percent from State and federal subvention.
3. Authorize the Chief Executive Officer and the Director of Mental Health to proceed with the lease amendment which will be effective upon approval by the Board of Supervisors.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since 1986, the Rio Hondo Mental Health Center (MHC) and the American Indian Counseling Center (AICC) have provided mental health services to clients in the southern portion of Service Planning Area 7. Psychiatric Mobile Response Teams (PMRT) SA7 is now also housed at the facility. The facility is staffed by approximately 125 employees, interns, contractors, and volunteers.

MHC services include case management, crisis intervention, medication support, community outreach, and individual and group treatment. AICC provides comprehensive mental health services to American Indians and Alaska natives who suffer from severe chronic long-term mental illness. PMRT SA7 provides mobile response services within the service area. The MHC, AICC and PMRT SA7 provide services to approximately 230 new clients per month, with a caseload of approximately 2,400 clients.

The existing lease has been on holdover since January 2015. The proposed amendment to renew the lease will provide the Department of Mental Health (DMH), after 36 months of the lease term, the flexibility to continue the lease, purchase the property, or pursue a lease at an alternate facility via the purchase option and cancellation provisions. It will also provide DMH uninterrupted use of the entire building. DMH programs are most effective when located in the same geographic area as its consumers, providers, and stakeholders.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and the Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed amendment supports these goals with a centrally located facility to support DMH related services. The proposed amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

## **FISCAL IMPACT/FINANCING**

The proposed lease amendment will provide approximately 27,924 square feet of office space, and 117 parking spaces included in the base rent. The proposed annual rent is \$582,115, or \$20.85 per rentable square foot, plus the cost of utilities, janitorial, and interior maintenance.

Sufficient funding for the proposed lease amendment is included in the Fiscal Year (FY) 2015-16 Rent Expense budget, and will be charged back to DMH. DMH has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs, which are 100 percent State and federal funded. Attachment B is an overview of the lease costs.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease amendment will provide DMH approximately 27,924 square feet of office space, and 117 parking spaces included in the base rent. The proposed lease amendment includes the following provisions:

- The seven-year term will commence upon adoption by the Board of Supervisors.
- The base rent will remain the same, subject to 50 percent of the annual CPI adjustment not to exceed 4 percent pursuant to the existing lease.
- The County will have the right to cancel the lease at any time after 36 months of the lease term, upon 180 days prior written notice.
- The County will retain the option to purchase the property at any time after 36 months of the lease term, upon 180 days prior written notice.
- Studebaker-Cerritos Project, Ltd. (Lessor), at its sole cost, will complete premises upgrades and base building improvements.

County Counsel has reviewed the attached amendment and has approved it as to form.

The Chief Executive Office (CEO), Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$21 and \$27 per rentable square foot on a full-service gross basis, including parking at a ratio of four spaces per 1,000 square feet. The annual base rental rate of \$20.85 per square foot, including parking, plus the estimated cost of utilities, interior maintenance, and repair of \$4.68, result in a total lease rate of \$25.53, which is in the mid-range for a full-service market rate in the area. Attachment C shows all County-owned and leased facilities within a five-mile radius, and no County-owned or leased facilities are available for this program.

The proposed lease amendment will provide a central location consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works inspected the facility and has found it suitable for the County's occupancy, and the Lessor has ensured path of travel requirements have been or will be met. Additionally, a childcare facility is not feasible for the department at the proposed leased premises.

### **ENVIRONMENTAL DOCUMENTATION**

The CEO concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

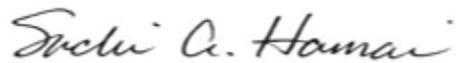
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is the finding of the CEO that the proposed lease amendment will allow DMH to continue to provide uninterrupted programs and services from the subject facility. DMH concurs with this recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return two originals of the executed amendment and the adopted stamped Board letter and two certified copies of the Minute Order, to the CEO, Real Estate Division, 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

TS:MM:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Mental Health

**DEPARTMENT OF MENTAL HEALTH  
17707 STUDEBAKER ROAD, CERRITOS**

**Asset Management Principles Compliance Form<sup>1</sup>**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>			X
D	Does this lease meet the guideline of 200 sq. ft. of space per person? <sup>2</sup> <b>The DMH direct service clinic provides 223 sq. ft. per person to accommodate client visits.</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup>	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? <b>100% State and Federal subvention.</b>		X	
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?	X		
D	If no, are there any suitable County-owned facilities available?			X
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment C?	X		
G	Was build-to-suit or capital project considered? <sup>2</sup> <b>No build to suit or capital project was considered because this project is 100% subvention funded which makes a leased space the best option. In addition the proposed space is available at a competitive market rental rate and favorable County cancellation right to accommodate DMH future plans.</b>		X	
3. <u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full service lease? <sup>2</sup> <b>Modified gross: Lessee is responsible for utilities, janitorial, and maintenance.</b>		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**FISCAL IMPACT/FINANCING  
OVERVIEW OF PROPOSED LEASE**

<b>17707 STUDEBAKER ROAD</b>	<b>EXISTING LEASE</b>	<b>PROPOSED AMENDMENT</b>	<b>CHANGE</b>
Area (square feet)	27,924	27,924	None
Lease Term	Ten years 01/22/05-01/21/15 currently on holdover	Seven years 03/1/16-02/28/23	+ 7 years
Annual Base Rent	\$582,115	\$582,115	None
Annual Base Rental rate	\$20.85/sq. ft.	\$20.85/sq. ft.	None
Other Costs	\$4.68/sq. ft.	\$4.68/sq. ft.	None
Maximum Annual Lease Cost per square foot	\$712,900 (\$25.53/sq. ft.)	\$712,900 (\$25.53/sq. ft.)	None None
Cancellation	Any time after 60 months upon 180 days prior written notice	Any time after 36 months upon 180 days prior written notice	- 24 months
Parking (included in rent)	117 spaces	117 spaces	None
Option to Renew	None	None	None
Annual Base Rental Adjustment	50% of CPI capped at 4%	50% of CPI capped at 4%	None

**DEPARTMENT OF MENTAL HEALTH  
17707 STUDEBAKER ROAD, CERRITOS**

Five-mile radius search from 17707 Studebaker Road, Cerritos

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
6467	AG COMM/WTS MEAS-SOUTH GATE ADMINISTRATION	11012 GARFIELD AVE, SOUTH GATE 90280	21902	15325	OWNED	NONE
1203	DHS-PUBLIC HEALTH FACILITIES BUILDING 301/302	12838 ERICKSON AVE, DOWNEY 90242	19575	12170	OWNED	NONE
5028	DHS-PUBLIC HEALTH LABORATORIES BUILDING 1100	12730 ERICKSON AVE, DOWNEY 90242	38229	19996	OWNED	19996
1100	PUBLIC SAFETY-HEADQUARTERS/HEALTH SVCS BUREAU	7601 E IMPERIAL HWY, DOWNEY 90242	15482	9221	OWNED	NONE
1264	RANCHO-BONITA HALL (REHAB ENGINEERING)	7601 E IMPERIAL HWY, DOWNEY 90242	6612	3426	OWNED	NONE
1205	RANCHO-BUILDINGS 303/304 KINESIOLOGY (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	25689	15462	OWNED	15462
2892	RANCHO-BUILDINGS 605/606	7601 E IMPERIAL HWY, DOWNEY 90242	15658	12249	OWNED	NONE
1238	RANCHO-CASA CONSUELO (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	41643	22713	OWNED	22713
1196	RANCHO-CLASSROOM BUILDING/ BLDG 208 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6245	4427	OWNED	4427
1194	RANCHO-DIETARY OFFICE/BUILDING 206 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6245	4231	OWNED	4231
1189	RANCHO-GENERAL SERVICES/BLDG 201 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	7271	4668	OWNED	4668
1180	RANCHO-HARRIMAN BUILDING 400 - ADMINISTRATION	7601 E IMPERIAL HWY, DOWNEY 90242	85879	39682	OWNED	NONE
1199	RANCHO-HISTOPATHOLOGY LAB/BLDG 311 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6381	4647	OWNED	4647
3385	RANCHO-HOSPITAL OFFICE BLDG 500,501,502 & 503	7601 E IMPERIAL HWY, DOWNEY 90242	88104	63850	FINANCED	NONE
1190	RANCHO-HOUSEKEEPING/ BUILDING 202 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6219	4661	OWNED	NONE
1198	RANCHO-NURSING EDUCATION/BLDG 210 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6462	3955	OWNED	3955
1191	RANCHO-PURCHASING OFFICE/ BLDG 203 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6339	4055	OWNED	4055
1193	RANCHO-RECREATION SERVICES/ BLDG 205 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6245	4518	OWNED	4518
X238	RANCHO-SUPPORT SERVICES ADMINISTRATION BLDG	7601 E IMPERIAL HWY, DOWNEY 90242	66200	56002	FINANCED	NONE
1267	RANCHO-TRANSPORTATION OFFICE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	3542	2860	OWNED	2860
A355	DCFS-REGION IV OFFICES AND TRAINING CENTER	10355 SLUSHER DR, SANTA FE SPRINGS 90670	65568	50633	LEASED	NONE
6059	DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG	9150 E IMPERIAL HWY, DOWNEY 90242	327972	264536	FINANCED	NONE
4401	DHS-BELLFLOWER HEALTH CENTER	10005 E FLOWER ST, BELLFLOWER 90706	15524	9053	OWNED	NONE
D221	DPSS-NORWALK WS DISTRICT OFFICE	12727 NORWALK BLVD, NORWALK 90650	40500	30928	LEASED	NONE
X168	HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLD	12400 E IMPERIAL HWY, NORWALK 90650	262510	240600	FINANCED	NONE
A068	NORWALK IMPERIAL CENTRE (AKA BECHTEL BLDG)	12440 E IMPERIAL HWY, NORWALK 90650	58642	52778	LEASED	NONE
3769	DHS-NORWALK HEALTH CENTER (CLOSED)	12360 FIRESTONE BLVD, NORWALK 90650	4844	2288	OWNED	2288
A358	DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE	14714 CARMENITA RD, NORWALK 90650	44250	42038	LEASED	NONE
A126	DCFS-REGION VII LAKEWOOD SERVICES OFFICE	4060 WATSON PLAZA DR, LAKEWOOD 90712	87200	60265	LEASED	NONE
	DA-CRIMINAL JUSTICE INFORMATION SYSTEM/ ISAB	12750 CENTER COURT DR, CERRITOS (DAIRY VALLEY) 90701	20187	19044	LEASED	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed Lease:** A seven-year amendment to renew the lease for the Department of Mental Health (DMH) – 17707 Studebaker Road, Cerritos – 4th District – Option to Cancel and Option to Purchase at any time after 36 months of the lease term.

### A. Establish Service Function Category – Regional and local service function

**Determination of the Service Area** – The existing lease has been on holdover since January 2015. The proposed amendment to renew the lease will provide DMH, after 36 months of the lease term, the flexibility to continue the lease, purchase the property, or pursue a lease at an alternate facility via the purchase option and cancellation provisions. It will also provide DMH uninterrupted use of the entire building currently staffed by approximately 125 employees, interns, contractors, and volunteers. The DMH clinic provides mental health services to clients in the southern portion of Service Planning Area 7.

### B. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: DMH programs are most effective when located in the same geographic area as its consumers, providers, and stakeholders.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: The surrounding area is in the process of improving existing facilities and revitalization.
- Proximity to public transportation: The location is adequately served by transit services and is immediately accessible from the 605 and 91 freeways.
- Availability of affordable housing for County employees: The surrounding area provides affordable rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy.

- Estimated acquisition/construction and ongoing operational costs:  
The maximum annual total lease cost, which consists of the base rent and parking, is \$582,115, plus the cost of utilities, janitorial, and interior maintenance. Pursuant to the underlying lease, the Lessor will remain responsible for interior and exterior maintenance and replacement.

Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs which are 100 percent funded by State and federal subvention.

- C. Analyze results and identify location alternatives** – The CEO, Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$21 and \$27 per rentable square foot on a full service gross basis, including parking at a ratio of four spaces per 1,000 square feet. The annual base rental rate of \$20.85 per square foot, including parking, plus the estimated cost of utilities, interior maintenance and repair of \$4.68, results in a total lease rate of \$25.53, which is in the mid-range for full service market rates in the area.
- D. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria** - DMH will continue to provide a location consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012.

**AMENDMENT NO. 2 TO LEASE NO. 67852  
17707 STUDEBAKER ROAD, CERRITOS**

THIS AMENDMENT NO. 2, TO LEASE NO. 67852 ("Amendment No. 2") is made, entered and dated as of this 29th day of March, 2016 by and between STUDEBAKER-CERRITOS PROJECT, LLC, a California limited liability company, hereinafter referred to as "Lessor" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Lessee".

**RECITALS**

WHEREAS, a Lease and Agreement by and between Studebaker-Cerritos Project, Ltd., as Lessor, and the County of Los Angeles as Lessee was executed on October 18, 1994, pursuant to which Lessor leased to Lessee those certain Premises located at 17707 Studebaker Road, Cerritos, California, and;

WHEREAS, Lessor and Lessee amended the terms of the Lease and Agreement on January 18, 2005, to extend the term, increase the rental rate, provide Lessee a cancellation right, provide an option to purchase the Premises, and provide certain improvements to the Premises at Lessor's sole cost and an additional tenant improvement allowance to further upgrade the space, if desired by Lessee, and;

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease and Agreement to extend the term and upgrade the Premises at Lessor's sole cost, and;

WHEREAS, the terms of this Amendment No. 2 to Lease No. 67852 will not become effective until such time that said Amendment is executed by all parties herein;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, and intending to be legally bound, Landlord and Tenant hereby covenant and agree as follows:

1. **DESCRIPTION OF PREMISES:** Effective upon execution of this Amendment No. 2 by the parties herein, Paragraph 1, DESCRIPTION OF PREMISES, is hereby substituted by Exhibit A, Legal Description, of this Amendment No. 2.
2. **TERM:** Effective upon execution of this Amendment No. 2 by the parties herein, Paragraph 2, TERM, is hereby amended such that the term of this Lease shall be extended and terminate seven (7) years from the effective date of this Amendment No. 2 ("Amendment No. 2 Extended Term"), unless otherwise extended, or terminated in accordance with the provisions of the Lease.

3. **CANCELLATION:** Effective upon execution of this Amendment No. 2 by the parties herein, Paragraph 5, CANCELLATION, is hereby amended by insertion of the following:

Lessee shall have the right to cancel this Lease at or any time after thirty-six (36) months from the commencement of the Amendment No. 2 Extended Term by giving Lessor not less than one-hundred eighty (180) days prior written notice by Chief Executive Office letter.

4. **REPAIR, MAINTENANCE AND REPLACEMENT:** Effective upon execution of this Amendment No. 2 by the parties herein, Paragraph 9, REPAIR, MAINTENANCE AND REPLACEMENT, is hereby amended such that the first sentence of the sub-paragraph A shall be deleted in its entirety and the following substituted therefor:

Lessor agrees to repair, maintain and replace as necessary at Lessor's own expense, the interior and exterior of the Premises as follows:

5. **OPTION TO PURCHASE:** Effective upon execution of this Amendment No. 2 by the parties herein, Paragraph 19, OPTION TO PURCHASE, is hereby amended such that the sub-paragraph A shall be deleted in its entirety and the following substituted therefor:

Lessor hereby grants to Lessee the exclusive option to purchase the fee simple title to the real property and improvements legally described in Exhibit A to Amendment No. 2, of this Lease and Agreement. The option may be exercised by giving Lessor not less than one-hundred-eighty (180) days prior written notice of intent to exercise the purchase option at any time after thirty-six (36) months of the term of this Lease or any renewal period thereof. In the event Lessee elects to purchase the property, Lessee shall complete the public notice requirements of Government Code Section 25350, or the statute then prevailing, prior to consummating the purchase. Lessor acknowledges that Lessee's consummation of the actual purchase of the property shall be conditional and contingent upon compliance with all other relevant laws and regulations regarding County purchasing of property including, but not limited to, a formal vote at a public meeting of the Board of Supervisors of the County of Los Angeles.

6. **PREPARATION OF PREMISES:** Effective upon execution of this Amendment No. 2 by the parties herein, Paragraph 27, PREPARATION OF PREMISES, is hereby deleted in its entirety and the following is substituted therefor:

a. Lessor affirms and shall provide Lessee written verification the boiler on the Premises has been re-built to comply with current Boiler and Pressure Vessel (BPV) codes and is operational to current applicable code standard.

b. Lessor shall repair and maintain the Heating, Ventilation and Air Conditioning system to operate as indicated in Exhibit B.

c. Lessor within ninety (90) days after receipt of a duly executed copy of this Lease document shall, at its sole cost and expense, cause to be performed and completed the improvements as described in Exhibit C. All work shall be in compliance with the American Disabilities Act (ADA), the Labor Code of the State of California and all applicable City, County, State and Federal building codes, regulations and ordinances required for beneficial occupancy. All work and materials shall conform to the plans and specifications of the Lessee. Lessor shall perform all major work during weekends and after normal business hours.

d. In the event Lessor should fail, neglect or refuse to commence the preparation of premises work required by Paragraph 27 herein, or fail, neglect or refuse to pursue said preparation of premises work with reasonable diligence to completion, the Lessee at its sole discretion may perform or cause to be performed said preparation of premises work and deduct the cost thereof from the installments of rent next due as a charge to the Lessor.

e. **Completion** The parties agree that the estimated time for completion of said tenant improvements is 180 days from the date of execution of this Amendment by the parties herein.

Completion may be delayed by:

i. Acts or omissions of Lessee or of any employees or agents of Lessee (including change orders in the work), or

ii. Any act of God which Lessor could not have reasonably foreseen and provided for, or

iii. Any strikes, boycotts or like obstructive acts by employees or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

iv. Any war or declaration of a state of national emergency, or

v. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

f. **Lessee Remedies** If Lessor fails to complete the Preparation of Premises work within sixty (60) days from the estimated time of completion, which period shall be extended for a reasonable time for delays, Lessee may, at its option:

i. Cancel the Lease upon thirty (30) days written notice to Lessor; or

ii. Upon thirty (30) days written notice to Lessor, assume the responsibility for providing the Preparation of Premises work itself.

iii. If Lessee elects to provide the Preparation of Premises work itself, then:

a. Lessee, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all

reasonable times for the purpose of completing the Preparation of Premises work and for any other purposes reasonably related thereto

- b. Rent shall be reduced by Lessee's total expense in completing the Preparation of Premises work, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of 8%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Lessee's total expense shall be fully amortized in equal monthly amounts over 7 years.
- 5.** Wherever a conflict exists between the terms or conditions of this Amendment No. 2 and preceding amendments or the original Lease, the terms and conditions of this Amendment No. 2 shall prevail. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 2 to Lease No. 67852, or caused it to be duly executed and the County of Los Angeles has caused this Amendment to be executed by the Board of Supervisors and attested by the Clerk thereof the day, month and year first above written.

LESSOR  
STUDEBAKER-CERRITOS PROJECT, LLC

By *[Signature]*  
Name: *Carole Gabriel-Lewis*  
Title: *Owner*

ATTEST:

LORI GLASGOW  
Executive Officer-Clerk  
of the Board of Supervisors

COUNTY OF LOS ANGELES

By *Lachelle Amithuman*  
Deputy

By *Hilda F. Solis*  
Hilda L. Solis, Chair  
Board of Supervisors

67852 Supplement No. 2

APPROVED AS TO FORM:  
MARY C. WICKHAM  
County Counsel

By *[Signature]*  
Deputy



I hereby certify that pursuant to section 25103 of the government code, delivery of this document has been made

LORI GLASGOW  
Executive Officer  
Clerk of the Board of Supervisors

By *Lachelle Amithuman*

DEPUTY

17707Amd2

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

**15**

**MAR 29 2016**

*Lori Glasgow*  
LORI GLASGOW  
EXECUTIVE OFFICER

## EXHIBIT A

### LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 3 SOUTH, RANGE 12 WEST, RANCHO LOS COYOTES, IN THE CITY OF CERRITOS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE PACIFIC ELECTRIC RAILROAD COMPANY'S RIGHT OF WAY AND LYING WESTERLY OF THE WESTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL 1 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 10, 1963, AS INSTRUMENT NO. 1315, IN BOOK D-2174, PAGES 904 TO 907 INCLUSIVE OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 30.00 FEET THEREOF.

ALSO EXCEPT THAT PORTION DESCRIBED AS PARCEL 2 IN THE HEREINABOVE REFERRED TO DEED TO THE STATE OF CALIFORNIA.

PARCEL 2:

THAT PORTION OF THE WESTERLY 30 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 3 SOUTH, RANGE 12 WEST, IN THE RANCHO LOS COYOTES, IN THE CITY OF CERRITOS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 41819, PAGE 141, E1 Sep., OFFICIAL RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ADJOINING PARCEL 1 ON THE WEST THAT WOULD PASS WITH A LEGAL CONVEYANCE OF PARCEL 1 HEREINBEFORE DESCRIBED.

EXCEPT FROM PARCEL 2 THE INTEREST RESERVED FOR ROADS, RAILROADS AND DITCHES IN THE DEED FROM THE STEARNS RANCHO COMPANY, A CORPORATION, RECORDED IN BOOK 1014, PAGE 258 OF DEEDS, RECORDS OF SAID COUNTY, WHICH WERE QUITCLAIMED TO THE COUNTY OF LOS ANGELES BY THE STEARNS RANCHO COMPANY, A CORPORATION, BY DEED RECORDED IN BOOK 6678, PAGE 217 OF DEEDS.

PARCEL 3:

THAT PORTION OF LOT 3 OF TRACT NO. 5578, IN THE CITY OF CERRITOS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP BOOK 64, PAGE 37 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 3 SOUTH, RANGE 12 WEST, IN THE RANCHO LOS COYOTES, SAID PORTION OF LOT 3 AND PORTION OF SECTION 35 BEING ALSO PORTIONS OF PARCELS 1 AND 2 OF THAT CERTAIN LAND CONVEYED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MAY 16, 1957, AS INSTRUMENT NO. 1928, IN BOOK 54518, PAGE 111 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID PARCEL 2; THENCE ALONG THE EASTERLY LINES OF SAID PARCELS 1 AND 2, SOUTH 00° 31' 51" EAST 164.01 FEET; THENCE NORTH 12° 25' 54" WEST 198.85 FEET TO THE NORTHWESTERLY LINE OF SAID PARCEL 2; THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 53° 49' 45" EAST 51.14 FEET TO THE POINT OF BEGINNING, TOGETHER WITH THAT PORTION OF STUDEBAKER ROAD, FORMERLY ROSS AVENUE, 60.00 FEET WIDE OF TRACT NO. 5578, AS SHOWN ON MAP RECORDED IN BOOK 64, PAGE 37 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ADJACENT TO AND EASTERLY OF SAID PARCELS 1 AND 2, DESCRIBED AS FOLLOWS:

BEGINNING AT SAID NORTHEASTERLY CORNER OF SAID PARCEL 2; THENCE ALONG THE WESTERLY LINE OF SAID STUDEBAKER ROAD, SOUTH 00° 31' 51" EAST 164.01 FEET; THENCE SOUTH 12° 25' 54" EAST 145.47 FEET TO THE CENTERLINE OF SAID STUDEBAKER ROAD; THENCE ALONG SAID CENTERLINE NORTH 00° 31' 51" WEST 284.00 FEET TO THE SOUTHEASTERLY PROLONGATION OF SAID NORTHEASTERLY LINE OF SAID PARCEL 2; THENCE ALONG SAID PROLONGATION, NORTH 53° 49' 45" WEST 37.42 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM ALL WATER AND WATER RIGHTS, MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED BY STATE OF CALIFORNIA BY DEED RECORDED JULY 31, 1967, AS INSTRUMENT NO. 2455, OFFICIAL RECORDS.

APN: 7034-016-034 & 035

## **EXHIBIT B**

### **HVAC STANDARDS**

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

## EXHIBIT C

### PREPARATION OF PREMISES

1. Clean the existing floor and shampoo and clean carpeting throughout the Premises.
2. Remove and dispose of worn or stained carpeting and install new carpet tiles where needed throughout the Premises.
3. Paint existing interior walls, doors and trim. Provide one primer coat and two finish coats. Provide one base color and one accent color.
4. Replace stained or damaged acoustic ceiling tile to match existing.
5. Replace all missing or inoperable ballasts and lamps. Clean existing fixtures and replace damaged diffusers as required to maintain 60 foot candles at 30" above finish floor.
6. Trim and adjust doors, install kick plates on doors, install missing door stops and install missing door locks throughout the space throughout the Premises (schedule below).
7. Install missing electrical cover plates throughout the space.
8. Improve exterior lighting to meet current code.
9. Power wash parking lot (under the building).

## SCHEDULE

DOOR #	DOOR KNOBS/LOCKS	KICK PLATES	DOOR HINGES
104	X		
108	X		
109	X		
115		X	
117		X	
124	X		
134		X	
206		X	
214		X	
220	X		
220	X		
226	X		
231			X
235	X		
238	X		
253	X		
267	X		
279	X		
281	X		
284	X		
WELLNESS		X	